

DISPOSAL OF VESSELS OR VEHICLES FORFEITED TO THE UNITED STATES FOR VIOLATION OF THE CUSTOMS LAWS OR THE PROHIBITION ACT

FEBRUARY 21, 1925.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. FOSTER, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 3406]

The Committee on the Judiciary, to whom was referred the bill (S. 3406) relating to the use or disposal of vessels or vehicles forfeited to the United States for violation of the customs laws or the national prohibition act, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The favorable recommendations of the several departments are indicated in the following letters:

JANUARY 17, 1925.

HON. REED SMOOT,
*Chairman Committee on Finance,
United States Senate.*

DEAR SENATOR SMOOT: Reference is made to the request of your committee, dated June 2, 1924, for suggestions touching on the merits of S. 3406, a bill relating to the use or disposal of vessels or vehicles forfeited to the United States for violation of the customs laws or the national prohibition act, and for other purposes, and the propriety of its passage. The first session of the Sixty-eighth Congress having adjourned on June 7 last, the department did not have time to give the proposed measure due consideration and make a report to your committee before adjournment.

It is the belief of administrative officers of the department concerned in the enforcement of the national prohibition act and the customs laws that the bill in question should be enacted into law.

Merchandise seized for violation of the customs laws and the national prohibition act and forfeited is now required to be sold at public auction. Occasionally boats and vehicles engaged in the illegal importation or transportation of intoxicating liquor are, when offered for sale at auction, bought on the account of those from whom they were seized and are again placed in illicit traffic in liquor, and at prices much lower than similar boats or vehicles could be purchased for in the open market.

The appropriation for enforcing the customs laws will not permit of the purchase of a sufficient number of boats and vehicles for the use of the customs

service in combating the illegal liquor traffic; and the Prohibition Unit is without authority of law to purchase passenger-carrying motor-propelled vehicles and is under the necessity of hiring automobiles for use of its enforcement agents in traveling and for patrol duty. To hire one automobile for 24-hour patrol duty costs at least \$20 per day, and in many instances \$25. The monthly expense accounts of prohibition enforcement agents assigned to patrol duty in sections where smuggling and illegal transportation of liquor are going on extensively show expenditures of around \$200 per month for automobile hire.

The department is of the opinion that if S. 3406 is enacted into law it will serve a twofold purpose: First, it will withdraw from the illegal traffic in liquor boats and automobiles which are now being used to violate the law; and second, it will provide the Government means of transportation in conducting enforcement work without cost except for running expenses and upkeep, which would be a great deal cheaper than hiring vehicles by the day or mile.

The passage of S. 3406 would not necessitate a supplemental estimate of expense.

Very truly yours,

A. W. MELLON, *Secretary of the Treasury.*

TREASURY DEPARTMENT,
Washington, February 19, 1925.

Hon. I. M. FOSTER,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: In reply to your inquiry of to-day as to the effect of Senate bill 3406 upon the efficiency of the services under my supervision which are charged with the enforcement of the customs laws and the national prohibition act, namely, the United States customs service, the United States Coast Guard, and the Prohibition Unit, I beg to advise that I am pleased to give you the following information:

The wording of the bill has been carefully considered and the passage of same would greatly facilitate the services named above in patrolling the waterways on the seacoast and the land borders.

At the present time all vehicles seized by the customs service after forfeiture proceedings have taken place, are sold at public auction with the result that the law offenders repurchase the same to continue their illegal operations. This result applies equally to vessels and small water craft seized by the Coast Guard for violation of customs laws.

The customs service is charged with enforcing the laws against smuggling on the land borders, and at the present time they have very little equipment which they can use to enforce these laws. If the bill be enacted considerable economy will result in the allocation of some of the seized vehicles being used as equipment by the enforcement officers, and will also prevent such vehicles and vessels from being reacquired by the lawbreakers.

The passage of the bill will also supply the customs service, the Coast Guard, and the prohibition service with suitable equipment which is now denied them for the enforcement of the law.

Very respectfully,

McKENZIE MOSS, *Assistant Secretary.*

FEBRUARY 18, 1925.

Hon. I. M. FOSTER,
House of Representatives.

DEAR CONGRESSMAN FOSTER: Pursuant to your request as to any advantage that would be gained by the passage of Senate bill 3406, relating to the use or disposal of vessels and vehicles forfeited to the United States, for violation of the customs laws or the national prohibition act, or for other purposes, it may be stated that a great saving in traveling expenses, drayage charges, and in purchases of boats, trucks, and automobiles would be made if it were possible for the Secretary of the Treasury to obtain by order of any court boats, trucks, and passenger-carrying automobiles which are forfeited to the United States by a decree of any court for violation of the customs laws or the national prohibition act.

Under the present interpretation of existing laws vessels and vehicles of any character seized and forfeited for violation of the customs laws or the national

prohibition act may not be converted to Government use but must be sold at public auction.

A considerable amount of money is expended annually by Federal prohibition agents for auto hire to apprehend violators in smuggling liquors through the borders of this country and to capture operators of illicit stills in the mountains, woods, and swamps in various localities of the country. By having automobiles for the purposes mentioned, rates far in excess of the amounts that would be paid for the purchase of gas and oil for seized cars are continually being paid. Trucks for carting seized property are also hired at rates running from \$2.50 to \$5 per hour. This amount could be reduced considerably by the use of seized trucks. Furthermore, if the seized trucks, automobiles, and boats are authorized to be delivered to the Secretary of the Treasury, it would permit our agents to be properly motorized to do more effective work in enforcing the national prohibition act.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

According to the report of the Prohibition Unit during the last fiscal year the number of automobiles seized was 5,214; the number of boats seized 236. The storage charges on seized automobiles varies in the different localities, the lowest in one place is \$3 per month for Fords; in one instance as high as \$30 per month has been charged. This has been protested by the department as excessive. It is estimated that the average charge for the storage of these vessels is from five to six dollars per month.

Comparative statement in re cost of guarding, storing, etc., seized property

| | Guarding | Vehicle storage | Advertisement | Storage beverages | Insurance | Total |
|--------------------------------------|--------------|-----------------|---------------|-------------------|-----------|--------------|
| Fiscal year 1923..... | \$24,477.58 | \$3,586.09 | \$8,217.93 | \$8,428.66 | \$37.02 | \$44,747.28 |
| Fiscal year 1924..... | 96,006.57 | 27,259.83 | 13,296.40 | 45,089.19 | 1,169.80 | 182,821.79 |
| Amount of increase..... | 71,528.99 | 23,673.74 | 5,078.47 | 36,660.53 | 1,132.78 | 138,074.51 |
| Per cent of increase..... | 292 | 660 | 62 | 435 | 3,060 | 308 |
| First 5 months fiscal year 1924..... | \$12,984.43 | \$138.67 | \$2,907.14 | \$7,170.00 | \$675.00 | \$23,875.24 |
| First 5 months fiscal year 1925..... | 53,488.76 | 564.61 | 2,604.06 | 17,459.14 | ----- | 74,116.57 |
| Amount of increase..... | 40,504.33 | 425.94 | -303.08 | 10,289.14 | -675.00 | 50,241.33 |
| Per cent of increase..... | 312 | 307 | -10.4 | 143 | ----- | 210 |
| Estimate, fiscal year 1925..... | \$175,000.00 | \$1,500.00 | \$7,800.00 | \$90,000.00 | ----- | \$274,300.00 |
| Amount increase over 1924..... | 78,993.43 | ----- | ----- | 44,910.81 | ----- | 91,478.21 |
| Per cent of increase over 1924..... | 82 | ----- | ----- | 100 | ----- | 50 |

